

***Pro Forma* Transfer of Control of Cowles Company  
Parent of KHQ, Inc. and Cowles Montana Media Company**

**EXHIBIT E (1)**

**Purpose and Explanation of this Application**

Cowles Company, a Washington corporation, is the sole owner of television broadcast and temporary fixed earth station licensees KHQ, Inc. and Cowles Montana Media Company (collectively, the “Licensees”). Cowles Company is wholly owned and controlled by the descendants of William H. Cowles, Sr. (the “Cowles Family”) through 39 trusts, of which all trustees and beneficiaries are Cowles Family members. This application seeks Commission consent to a *pro forma* transaction involving the imposition of 39 new limited liability companies between Cowles Company and the controlling trustees.<sup>1</sup> Following the transaction, control of the Licensees will remain in the hands of the trustees and the beneficial ownership will remain with the Cowles Family members. Accordingly, this transaction will constitute a *pro forma* transfer of control. The parties have filed applications with the Media Bureau seeking consent to the transaction as it affects broadcast and broadcast auxiliary licenses (*See* Files BTCCDT-20161024AAC and BTCCDT-20161024AAK). Current and proposed organizational charts are attached to this application.

The applicants seek the Commission’s consent to a *pro forma* transfer arising from the imposition of Delaware State limited liability companies, represented in this application by JPC WHC Jr. LLC, between the trustees and Cowles Company. Currently, three trustees control 91.32% of the voting shares of Cowles Company. William Stacey Cowles controls 45.94%, James P. Cowles controls 26.48%, and James L. Cowles controls 18.90% of the votes. The current trustees have formed these limited liability companies and, subject to the consent of Cowles Family members who are beneficiaries of the individual trusts, will contribute the Cowles Company stock now held by each trust to the LLCs following Commission consent to these applications. Although the LLCs will hold the stock of Cowles Company, the trustees will retain control over the LLCs. The trustees will have the ability to appoint the manager of each LLC.<sup>2</sup> There will be no change in the trustees at this time and the Cowles Family will continue to hold the beneficial interests of Cowles Company and its licensee subsidiaries. The transaction will be a corporate reorganization that involves no substantial change in the beneficial ownership of either licensee corporation. Thus it will be *pro forma* in nature.<sup>3</sup>

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<sup>1</sup> This application uses JPC WHC Jr. LLC as a representative of the 39 new companies. Contact information is the same for all of them.

<sup>2</sup> Initially, Managing Trustee William Stacey Cowles will be the manager of each of the LLCs.

<sup>3</sup> *See, Federal Communications Bar Association’s Petition for Forbearance from Section 310(d) of the Communications Act Regarding Non-Substantial Assignments of Wireless Licenses and Transfers of Control Involving Telecommunications Carriers*, 13 FCC Rcd. 6293 (1998), ¶ 8.

An attached table lists each of the 39 newly formed limited liability companies that will share the stock of Cowles Company, along with the LLCs' FRNs and the percentage of stock that each will hold under the control of the existing trustees.

The proposed transaction will help Cowles Company to continue its outstanding record of public service through its broadcast, newspaper, and other holdings. Thus, consent to this application will serve the public interest.